

**Financial Statements of the  
HOUSING AUTHORITY OF  
THE CITY OF OGDEN  
Ogden, Utah  
For the year ended June 30, 2005  
Including  
Independent Auditor's Reports,  
Management's Discussion and Analysis, and  
Supplemental Information**

# Housing Authority of the City Of Ogden

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# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## Independent Auditor's Report

To the Board of Commissioners  
Housing Authority of the City of Ogden  
City of Ogden, Utah

We have audited the accompanying statements of fund net assets of the Housing Authority of the City of Ogden (the Authority), as of and for the year ended June 30, 2005, and the related statement of revenue, expenses and changes in fund net assets and statement of cash flows for the year then ended, which collectively comprise the Authority's basic financial statements. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2005, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2005, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 2 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The supplemental information included on Schedules 1 and 2 listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
December 12, 2005

**HOUSING AUTHORITY OF THE CITY OF OGDEN**  
**MANAGEMENT 'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2005**

As management of the Housing Authority of the City of Ogden (OHA), we offer readers of the OHA's financial statements this narrative overview and analysis of the financial activities of the OHA for the fiscal year ended June 30, 2005.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**Financial Highlights**

- The assets of the OHA exceeded its liabilities at the close of the most recent fiscal year by \$5,704,000 (net assets). Of this amount, \$1,467,362 (unrestricted net assets) may be used to meet OHA's ongoing obligations to citizens, creditors, and spending at OHA's discretion within HUD guidelines.
- The total revenue for all programs was more than \$9 million for the year. Rental, interest and other income generated approximately \$445 thousand towards this amount, with the remaining balance consisting of HUD grants and subsidies.
- As of the close of the current fiscal year, the OHA's unrestricted net assets reported a combined ending balance of \$1,467,372, an increase of \$138,602 in comparison with the prior year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the OHA's basic financial statements. The OHA's basic financial statements comprise two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Basic financial statements:** The basic financial statements are designed to provide readers with a broad overview of the OHA's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the OHA's assets and liabilities, with the difference between the two reported as net assets.

The statement of revenues, expenditures and changes in net assets presents information showing how the OHA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

HOUSING AUTHORITY OF THE CITY OF OGDEN  
MANAGEMENT 'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The purpose of the OHA is to promote and provide safe, affordable and sound housing, free from discrimination, with self sufficiency opportunities for persons of low to medium income in partnership with communities we serve.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Program Financial Statements**

The authority consists of exclusively an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

In prior years, the Authority has presented Government type financials, reporting units as funds; however, to more accurately report the financial statements and not misrepresent reported units as funds under governmental accounting, the Authority is now designating reported units as programs using the Enterprise method.

**Capital Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the OHA, assets exceed liabilities by \$5,704,001 at the close of the most recent fiscal year. By far the largest portion of the OHA's net assets (74 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The OHA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

HOUSING AUTHORITY OF THE CITY OF OGDEN  
MANAGEMENT 'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005

**OHA's Net Assets**

	2005	2004
Current and other assets	\$1,964,545	\$1,619,323
Capital assets	<u>4,236,628</u>	<u>4,362,396</u>
Total assets	<u>6,201,173</u>	<u>5,981,719</u>
Long-term liabilities outstanding	49,184	19,598
Other liabilities	<u>447,988</u>	<u>276,530</u>
Total liabilities	<u>497,172</u>	<u>296,128</u>
Net assets		
Invested in capital assets, net of related debt	4,236,628	4,362,396
Restricted for future use	67,833	-
Unrestricted (Restated)	<u>1,399,540</u>	<u>1,328,770</u>
Total net assets	<u>\$5,704,001</u>	<u>\$5,691,166</u>

At the end of the current fiscal year, the OHA is able to report positive balances in all categories of net assets, both for the agency as a whole, as well as for its separate program activities. The following is an explanation of the changes between fiscal years as shown in the table above:

- **Capital Assets** decreased \$125,768 (net of depreciation). As of June 30, 2005 OHA had \$7,952,934 invested in a broad range of capital assets, including land, buildings and improvements, furniture, and equipment. This amount represents a net increase of \$133,201. Major capital asset additions included modernization and improvements to the public housing properties.
- **Unrestricted net assets** increased by \$138,603 from the prior year. The change was due to results of the current year operations in relation with capital asset changes.

HOUSING AUTHORITY OF THE CITY OF OGDEN  
MANAGEMENT 'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005

**OHA's Changes in Net Assets**

	2005	2004
Revenues:		
Program revenues:		
Charges for services	\$ 368,199	\$ 373,495
Capital grants	298,924	262,543
Operating grants	8,305,357	8,632,030
Other general revenues	<u>77,268</u>	<u>38,832</u>
Total revenues	9,049,748	9,306,900
 Housing expenditures	 <u>9,036,908</u>	 <u>9,667,860</u>
Change in net assets	12,840	(360,960)
Net assets, beginning	5,691,161	6,046,551
Prior period adjustment(s)	<u>-</u>	<u>(5,570)</u>
Net assets, ending	<u>\$5,704,001</u>	<u>\$5,691,166</u>

**Financial Analysis of the Changes in Net Assets**

The following is an explanation of the changes in net assets between fiscal years as shown in the table above:

- Total revenues decreased by \$257,152 and total expenditures decreased \$630,952. The major decrease in revenue is a combination of HUD's decreased funding and not spending the budgeted Housing Assistant Payments (HAP) within the Housing Choice Voucher (HCV) program. It should be noted that HUD is now on a calendar year for funding purposes, any unspent HAP in the HCV program as of June 30, 2005 was charged to deferred revenue giving the housing authority the opportunity to spend the unspent HAP by December 31, 2005. The major decrease in Housing Expenditures is attributable to the decrease Housing Assistant Payments and the donation made in 2004 to HMDC.

**Unrestricted Net Assets:** The balance of unrestricted net assets may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the OHA's unreserved net assets reported a balance of \$1,399,540, an increase of \$70,770 in comparison with the prior year, which is available for spending at the OHA's discretion within HUD guidelines. As a measure of OHA's liquidity, it

**HOUSING AUTHORITY OF THE CITY OF OGDEN  
MANAGEMENT 'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2005**

may be useful to compare the unreserved net assets to total operating expenses. The unreserved net balance at June 30, 2005 represents 15.5 percent of total operating expenses.

**Economic Factors**

OHA is primarily dependent upon HUD for the funding of operations; therefore, OHA is affected more by the federal budget than by state or local economic conditions.

**Requests for Information**

This financial report is designed to provide a general overview of the OHA's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Manager at the Housing Authority of the City of Ogden, 2661 Washington Blvd., Suite 102, Ogden, UT 84401.



**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
Combined Statement of Net Assets  
June 30, 2005

<b>ASSETS</b>	<u>2005</u>
<b>Current Assets:</b>	
Cash	\$ 1,766,019
Investments	22,890
Accounts Receivable-HUD	28,316
Accounts Receivable - Other	46,713
Prepaid expenses	32,774
<b>Total Current Assets</b>	<u>1,896,712</u>
<b>Restricted Assets:</b>	
Cash	67,833
<b>Total Restricted Assets</b>	<u>67,833</u>
<b>Noncurrent Assets:</b>	
<b>Capital Assets</b>	
Land	1,018,280
Buildings and Improvements	6,635,202
Furniture and equipment	299,452
<b>Total Capital Assets</b>	<u>7,952,934</u>
Less: Accumulated Depreciation	<u>(3,716,306)</u>
<b>Total Non-Current Assets</b>	<u>4,236,628</u>
<b>TOTAL ASSETS</b>	<u><u>6,201,173</u></u>
 <b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	38,732
Tenant Security Deposits	67,833
Accrued Liabilities	58,567
Other Current Liabilities	19,268
Deferred Revenue	263,588
<b>Total Current Liabilities</b>	<u>447,988</u>
<b>Noncurrent Liabilities:</b>	
FSS Escrow	34,671
Other Long-Term Obligations	14,513
<b>Total Noncurrent Liabilities</b>	<u>49,184</u>
<b>TOTAL LIABILITIES</b>	<u>497,172</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,236,628
Restricted net assets	-
Unrestricted net assets	1,467,373
<b>TOTAL NET ASSETS</b>	<u><u>\$ 5,704,001</u></u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
**Combined Statement of Revenues, Expenditures,  
and Changes in Net Assets**  
**For The Year Ended June 30, 2005**

	<u>2005</u>
<b>OPERATING REVENUES</b>	
Federal Subsidies	\$ 8,600,237
Rents	368,199
Other	<u>52,263</u>
Total Operating Revenues	<u>9,020,699</u>
 <b>OPERATING EXPENSES</b>	
Administrative	942,341
Tenant Services	5,478
Utilities	149,789
Ordinary Maintenance and Operations	261,666
General	109,527
Extraordinary Maintenance	138,532
Housing Assistance Payments	7,190,609
Depreciation	<u>238,966</u>
Total Operating Expenses	<u>9,036,908</u>
 Loss From Operations	<u>(16,209)</u>
 Nonoperating Income (Expenses)	
Interest Income	<u>29,049</u>
Total Nonoperating Income (Expenses)	<u>29,049</u>
 Net Income (Loss)	12,840
 Net assets at beginning of year	5,691,161
 Net assets at end of year	\$ <u><u>5,704,001</u></u>

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN  
Combined Statement of Cash Flows  
For The Year Ended June 30, 2005**

<b>Cash Flows From Operating Activities</b>	<b>2005</b>
Federal subsidies receipts	\$ 8,571,921
Rents received	375,803
Other receipts	52,263
Cash paid for administrative services	(942,341)
Cash paid for tenant services	(5,478)
Cash paid for utilities	(149,789)
Cash paid for ordinary maintenance and operations	(261,666)
Cash paid for general and other expenses	(49,405)
Cash paid for housing assistance	(7,190,609)
Net Cash Provided By Operating Activities	<u>400,699</u>
<b>Cash Flows From Noncapital Financing Activities</b>	-
<b>Cash Flows From Capital Financing Activities</b>	
Acquisition of Capital Assets	(113,200)
Net Cash Used In Capital Financing Activities	<u>(113,200)</u>
<b>Cash Flows From Investing Activities</b>	
Net Investments sold	98,982
Interest on Investments	29,049
Net Cash Provided By Capital Financing Activities	<u>128,031</u>
Net Increase in Cash and Cash Equivalents	415,530
Cash and Cash Equivalents at June 30, 2004	1,418,322
Cash and Cash Equivalents at June 30, 2005	\$ <u><u>1,833,852</u></u>
<b>Reconciliation of operating income to net cash used by operating activities:</b>	
Loss From Operations	\$ (16,209)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation	238,968
(Increase) Decrease in:	
Accounts Receivable - HUD	(28,316)
Accounts Receivable - Other	7,604
Prepaid expenses	(7,965)
Increase (Decrease) in:	
Accounts Payable	(59,090)
Tenant Security Deposits	4,455
Accrued Liabilities	20,048
Other Current Liabilities	19,268
Deferred Revenue	251,370
Deposits and Other Liabilities	(29,434)
Net Cash Provided By Operating Activities	<u><u>\$ 400,699</u></u>

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN  
Notes to Financial Statements  
June 30, 2005**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION AND HISTORY**

The Housing Authority of the City of Ogden (the Authority) was established in 1970 for the purpose of providing affordable housing to individuals living in the City of Ogden and Weber County. The Housing Authority provides decent, safe and sanitary housing to low-income families and individuals through housing assistance payments and other public housing programs.

The Authority supports a total of 1406 housing units under five different housing programs. The Authority owns 200 units in its public housing program, of which all units are available for lease to low income and elderly individuals in accordance with U.S. Department of Housing and Urban Development (HUD) guidelines. Operating subsidies are received by the Authority directly from HUD. The Authority subsidizes rental expenses for units which clients lease from private apartment owners.

**FINANCIAL REPORTING MODEL**

The Authority has implemented the new financial reporting model, as required by the provisions of GASB Statement No. 34, *Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The significant changes to these statements are as follows:

1. Presentation of management's discussion and analysis.
2. The term retained earnings is replaced by net assets.
3. The statement of cash flows is presented on the direct method.

**FINANCIAL REPORTING ENTITY**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 14, "The Financial Reporting Entity", which describes those entities which are considered component units for financial reporting purposes. Management of the Authority and the City of Ogden have determined that the Authority is not a component unit of the City, or any other government entity under the criteria of GASB Statement No. 14.

Additionally, Weber County Housing Authority (WCHA) receives Housing Choice Voucher funding from HUD. This is administered for WCHA by the Authority and is considered a component unit of the Authority. Revenues and expenditures for WCHA totaled \$779,509 and \$773,732 respectively for the year ended June 30, 2005. Management is not aware of other government entities that should be included with the Authority's basic financial statements as component units in accordance with GASB Statement No. 14.

**INTER-FUND TRANSACTIONS**

Inter-fund payables and receivables as of June 30, 2005 totaling \$41,649 have been eliminated from the combined balance sheet.

**BASIS OF PRESENTATION – FUND ACCOUNTING**

In order to insure observance of limitations and restrictions placed on the use of resources available to the Authority, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which appropriations, grants or contracts for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**

**Notes to Financial Statements**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION - FUND ACCOUNTING - CONTINUED**

In accordance with HUD prescribed accounting practices, the Authority has adopted the Statement of Government Accounting Standards (SGAS) No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The Authority has elected to apply all applicable FASB pronouncements and Accounting Principle Board (APB) opinions issued on or after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**BASIS OF ACCOUNTING**

The Authority prepares its basic financial statements using the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. The accrual basis of accounting recognizes revenues at the time they are earned. Expenditures are recorded when incurred.

**CASH AND CASH EQUIVALENTS**

The Authority considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash and cash equivalents at June 30, 2005 consist of cash on hand, demand deposits and savings deposits. Certificates of deposits and U.S. Treasury Bills are reported on the balance sheet as investments.

**FIXED ASSETS**

Fixed assets are carried at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 - 40 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and improvements are capitalized.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**DEFERRED REVENUE**

Deferred revenue consists of federal subsidies earned after July 1, 2005 that were received by the Authority on or before June 30, 2005.

**ACCRUED COMPENSATED ABSENCES**

The balance of accrued liabilities at June 30, 2005, of \$58,568 includes current accrued compensated absences totaling \$34,439. Other long-term obligations at June 30, 2005, of \$49,184 include non-current accrued compensated absences totaling \$14,513.

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
**Notes to Financial Statements**  
**June 30, 2005**

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits – Utah State law requires that the Authority's deposits be made with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any financial institution, which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act.

Investments – The Authority's investment policies are governed by State Statutes and HUD regulations.

At June 30, 2005, the carrying amount of the Authority's deposits, recorded as restricted and unrestricted cash, was \$1,833,852 and the bank balance was \$1,883,430. Of the bank balance, \$1,537 was covered by federal depository insurance, and \$1,881,893 was covered by collateral with a value of \$1,881,893. The collateral consists of U.S. Treasury notes held by a financial institution, but not in the Authority's name. There is no uninsured and/or uncollateralized bank balance as of June 30, 2005.

The Authority's deposits and investments are categorized to give an indication of the level of risk assumed. The categories are described as follows:

Category 1 - Insured or collateralized, or securities held by the Authority or its agent in the Authority's name; Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name; Category 3 – Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Authority's name).

Deposits and Investments, categorized by level of risk, are as follows:

	Bank Balance	Categories			Unclassified	Carrying Amount
		1	2	3		
Deposits with financial Institutions	\$ 1,883,130	\$ 1,537	\$ -	\$1,881,593	\$ -	\$ 1,833,552
Petty Cash	300	-	-	-	300	300
Totals	<u>\$ 1,883,430</u>	<u>\$ 1,537</u>	<u>\$ -</u>	<u>\$1,881,593</u>	<u>\$ 300</u>	<u>\$ 1,833,852</u>

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
**Notes to Financial Statements**  
**June 30, 2005**

**NOTE 3 – RETIREMENT PLAN**

The Authority contributes to the Local Governmental Noncontributory Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems. Utah Retirement Systems provide retirement and survivor benefits to plan members and beneficiaries in accordance with retirement statutes.

The Utah Retirement Systems (the Systems) are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor of Utah. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for retirement plans administered by the Utah Retirement Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

The authority is legally obligated to contribute to the retirement systems as long as it has employees that meet membership requirements. The contribution rates are the actuarial determined rates. The contribution rates in effect for the year ending June 30, 2005, calculated on the applicable salary for the eligible employees are as follows:

<u>Year Ended June 30,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
2005	N/A	N/A	11.090%
2004	N/A	N/A	9.620%
2003	N/A	N/A	8.690%

The contributions made by the Authority for the year ended June 30, 2005 and 2004 were paid by the due dates or within 30 days thereafter and were equal to the required contributions.

The required contributions and amounts received for the year ended June 30, 2005 and the two previous fiscal years are as follows:

<u>Year Ended June 30,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
2005	\$ -	\$ -	\$ 72,837	\$ 656,781
2004	\$ -	\$ -	\$ 32,740	\$ 340,331
2003	\$ -	\$ -	\$ 56,467	\$ 649,793

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
Notes to Financial Statements  
June 30, 2005

**NOTE 4 – ECONOMIC DEPENDENCY**

A substantial portion of the Authority's revenue comes from U.S. Department of Housing and Urban Development. Programs operated by the Housing Authority depend upon continued funding by the U.S. Government.

**NOTE 5 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Authority to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damages, and other losses. A minimal deductible applies to these policies, which the Authority pays in the event of any loss. The Authority has also purchased a workers' compensation policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the year ended June 30, 2005.

**NOTE 6 – SCHEDULE OF CHANGES IN CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Land	\$ 1,018,280	\$ -	\$ -	\$ 1,018,280
Buildings and Improvements	6,569,037	66,165	-	6,635,202
Furniture and Equipment	<u>252,417</u>	<u>47,035</u>	<u>-</u>	<u>299,452</u>
Total	\$ <u>7,839,734</u>	\$ <u>113,200</u>	\$ <u>-</u>	\$ 7,952,934
Accumulated Depreciation	\$ <u>3,477,340</u>	\$ <u>238,966</u>	\$ <u>-</u>	\$ <u>3,716,306</u>
Net book value	\$ <u>4,362,394</u>			\$ <u>4,236,628</u>



**Supplemental Information**

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN  
Combining Statement of Net Assets  
June 30, 2005**

	10	20	25	71	72	73
		Section 8	Section 8	Section 8	Section 8	Section 8
	Public	Rental	Rental	Mod	Mod	Mod
	Housing	Vouchers	Vouchers	Rehab	Rehab	Rehab
FDS Line Item # Account Description	14,850	14,871	14,871	14,856	14,856	14,856
<b>ASSETS</b>						
<b>Current Assets</b>						
<b>Cash:</b>						
111 Cash - Unrestricted	\$ 584,446	\$ 662,734	\$ 126,193	\$ 112,601	\$ 103,125	\$ 11,821
113 Cash - Other Restricted	67,833	-	-	-	-	-
100 Total Cash	652,279	662,734	126,193	112,601	103,125	11,821
<b>Receivables:</b>						
121 Accounts Receivable - PHA Projects	-	-	-	-	-	1,730
122 Accounts Receivable - HUD	-	-	-	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	1,736	-	-	-	-	-
126 Accounts Receivable - Tenants - Dwelling Rents	2,278	-	-	-	-	-
128 Fraud Recovery	-	7,426	-	-	624	-
120 Total Receivables, net of allowances for doubtful accounts	4,014	7,426	-	-	624	1,730
<b>Current Investments:</b>						
131 Investments - Unrestricted	-	22,879	-	-	-	-
142 Prepaid Expenses and Other Assets	30,075	2,336	363	-	-	-
144 Interprogram Due From	26,600	-	-	15,049	-	-
150 Total Current Assets	712,968	695,375	126,556	127,650	103,749	13,551
<b>Noncurrent Assets</b>						
<b>Fixed Assets:</b>						
161 Land	1,018,280	-	-	-	-	-
162 Buildings	6,450,587	-	-	-	-	-
164 Furniture, Equipment & Machinery	201,910	28,161	30,713	-	8,030	1,000
165 Leasehold Improvements	5,295	-	-	-	-	-
166 Accumulated Depreciation	(3,661,060)	(22,787)	(8,827)	-	(6,530)	(1,000)
180 Total Non-Current Assets	4,015,012	5,374	21,886	-	1,500	-
190 TOTAL ASSETS	\$ 4,727,980	\$ 700,749	\$ 148,442	\$ 127,650	\$ 105,249	\$ 13,551
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
312 Accounts Payable <= 90 Days	\$ 16,603	\$ 3,502	\$ 350	\$ 262	\$ 321	\$ 50
321 Accrued Wage/Payroll Taxes Payable	9,128	9,429	905	683	853	135
322 Accrued Compensated Absences	11,786	14,959	1,864	1,320	1,599	186
333 Accounts Payable - Other Government	-	-	-	8,588	2,352	-
341 Tenant Security Deposits	67,833	-	-	-	-	-
342 Deferred Revenues	-	242,018	19,167	-	624	-
345 Other Current Liabilities	19,268	-	-	-	-	-
347 Interprogram Due To	-	-	-	-	-	-
310 Total Current Liabilities	124,618	269,908	22,286	10,853	5,749	371
<b>Non-Current Liabilities</b>						
353 FSS Escrow	-	30,762	3,909	-	-	-
354 Accrued Compensated Absences - Non Current	5,700	5,786	816	472	571	66
350 Total Non-Current Liabilities	5,700	36,548	4,725	472	571	66
300 TOTAL LIABILITIES	130,318	306,456	27,011	11,325	6,320	437
<b>NET ASSETS:</b>						
508.1 Invested in Capital Assets, Net of Related Debt	4,015,012	5,374	21,886	-	1,500	-
511.1 Restricted Net Assets	-	-	-	-	-	-
512.1 Unrestricted Net Assets	582,650	388,919	99,545	116,325	97,429	13,114
513 TOTAL NET ASSETS	4,597,662	394,293	121,431	116,325	98,929	13,114
600 TOTAL LIABILITIES AND NET ASSETS	\$ 4,727,980	\$ 700,749	\$ 148,442	\$ 127,650	\$ 105,249	\$ 13,551

## Schedule 1

76 Section 8 Mod Rehab Program 6 14.856	11 Capital Fund 14.872	30 HOPWA 14.241	40 Substantial Rehab 14.182	21 Other Federal Funds	5, 8, 41, 50 81, 83, 85 86 & 91 State & Local Funds	Combined Balance
\$ 60,926	\$ -	\$ 1,392	\$ 60,549	\$ 948	\$ 41,284	\$ 1,766,019
-	-	-	-	-	-	67,833
60,926	-	1,392	60,549	948	41,284	1,833,852
1,232	-	-	-	-	-	2,962
-	28,316	-	-	-	-	28,316
-	-	4,281	-	-	14,000	18,281
-	-	-	-	-	11,627	13,363
-	-	-	-	-	-	2,278
1,779	-	-	-	-	-	9,829
3,011	28,316	4,281	-	-	25,627	75,029
-	-	-	-	-	11	22,890
-	-	-	-	-	-	32,774
-	-	-	-	-	-	41,649 *
63,937	28,316	5,673	60,549	948	66,922	2,006,194
-	-	-	-	-	-	1,018,280
-	179,320	-	-	-	-	6,629,907
1,272	26,992	-	-	-	1,374	299,452
-	-	-	-	-	-	5,295
(1,272)	(14,352)	-	-	-	(478)	(3,716,306)
-	191,960	-	-	-	896	4,236,628
\$ 63,937	\$ 220,276	\$ 5,673	\$ 60,549	\$ 948	\$ 67,818	\$ 6,242,822
\$ 320	\$ 3,549	\$ 1	\$ 304	\$ -	\$ 2,050	\$ 27,312
853	-	-	845	-	1,298	24,129
1,599	-	-	1,125	-	-	34,438
-	-	-	480	-	-	11,420
-	-	-	-	-	-	67,833
1,779	-	-	-	-	-	263,588
-	-	-	-	-	-	19,268
-	24,767	-	-	-	16,882	41,649 *
4,551	28,316	1	2,754	-	20,230	489,637
-	-	-	-	-	-	34,671
571	-	-	531	-	-	14,513
571	-	-	531	-	-	49,184
5,122	28,316	1	3,285	-	20,230	538,821
-	191,960	-	-	-	896	4,236,628
-	-	-	-	-	-	-
58,815	-	5,672	57,264	948	46,692	1,467,373
58,815	191,960	5,672	57,264	948	47,588	5,704,001
\$ 63,937	\$ 220,276	\$ 5,673	\$ 60,549	\$ 948	\$ 67,818	\$ 6,242,822

\* Not included on the combined statement

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
**Combining Statement of Revenues, Expenditures, and  
Changes in Net Assets**  
**For the Year Ended June 30, 2005**

FDS Line Item #	Account Description	10	20	25	71	72
		Public Housing 14.850	Section 8 Rental Vouchers Ogden 14.871	Section 8 Rental Vouchers Weber 14.871	Section 8 Mod Rehab Program 1 14.856	Section 8 Mod Rehab Program 2 14.856
	<b>REVENUE</b>					
	<b>Tenant Revenue:</b>					
703	Net Tenant Rental Revenue	\$ 342,469	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	25,730	-	-	-	-
705	<b>Total Tenant Revenue</b>	<b>368,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
706	HUD PHA Grants	393,456	4,814,210	776,868	456,394	570,072
706.1	Capital Grants	-	-	-	-	-
708	Other Governmental Grants	-	-	-	-	-
711	Investment Income - Unrestricted	11,010	10,966	1,949	1,533	1,295
714	Fraud Recovery	-	4,007	692	148	29
715	Other Revenue	-	-	-	-	-
700	<b>TOTAL REVENUE</b>	<b>772,665</b>	<b>4,829,183</b>	<b>779,509</b>	<b>458,075</b>	<b>571,396</b>
	<b>EXPENSES</b>					
	<b>Administrative:</b>					
911	Administrative Salaries	123,042	274,966	33,074	16,981	21,483
912	Auditing Fees	1,912	7,513	1,093	683	820
915	Employee Benefit Contributions - Administrative	52,250	127,445	12,266	6,509	7,965
916	Other Operating - Administrative	29,985	69,977	9,941	6,427	7,999
	<b>Tenant Services:</b>					
924	Tenant Services - Other	5,478	-	-	-	-
	<b>Utilities:</b>					
931	Water	39,510	-	-	-	-
932	Electricity	68,265	-	-	-	-
933	Gas	42,014	-	-	-	-
	<b>Ordinary Maintenance &amp; Operation:</b>					
941	Ordinary Maintenance & Operation - Labor	122,334	-	-	-	-
942	Ordinary Maintenance & Operation - Materials & Other	36,285	-	-	-	-
943	Ordinary Maintenance & Operation - Contract Costs	49,318	-	-	-	-
945	Employee Benefit Contributions - Ordinary Maintenance	53,729	-	-	-	-
	<b>General Expenses:</b>					
961	Insurance Premiums	60,384	11,160	1,618	1,002	1,328
963	Payments in Lieu of Taxes	19,268	-	-	-	-
964	Bad Debt - Tenant Rents	10,450	-	-	-	-
966	Bad Debt - Other	-	-	-	-	-
969	<b>TOTAL OPERATING EXPENSES</b>	<b>714,224</b>	<b>491,061</b>	<b>57,992</b>	<b>31,602</b>	<b>39,595</b>
970	<b>EXCESS OPERATING REVENUE OVER</b>					
	<b>OPERATING EXPENSES</b>	<b>58,441</b>	<b>4,338,122</b>	<b>721,517</b>	<b>426,473</b>	<b>531,801</b>
	<b>Other Expenses:</b>					
971	Extraordinary Maintenance	-	-	-	-	-
973	Housing Assistance Payments	-	4,325,830	710,627	420,592	525,480
974	Depreciation Expense	218,079	4,689	5,113	-	1,200
900	<b>TOTAL EXPENSES</b>	<b>932,303</b>	<b>4,821,580</b>	<b>773,732</b>	<b>452,194</b>	<b>566,275</b>
1000	<b>Excess (Deficiency) of Operating Revenue</b>					
	<b>Over (Under) Expenses</b>	<b>(159,638)</b>	<b>7,603</b>	<b>5,777</b>	<b>5,881</b>	<b>5,121</b>
1103	<b>Net Assets at Beginning of Year</b>	<b>4,511,756</b>	<b>391,273</b>	<b>115,654</b>	<b>110,444</b>	<b>93,902</b>
1104	<b>Transfers and Adjustments</b>	<b>245,544</b>	<b>(4,583)</b>	<b>-</b>	<b>-</b>	<b>(94)</b>
	<b>Net Assets at End of Year</b>	<b>\$ 4,597,662</b>	<b>\$ 394,293</b>	<b>\$ 121,431</b>	<b>\$ 116,325</b>	<b>\$ 98,929</b>

## Schedule 2

73 Section 8 Mod Rehab Program 3 14.856	76 Section 8 Mod Rehab Program 6 14.856	11 Capital Fund 14.872	30 HOPWA 14.241	40 Substantial Rehab 14.182	21 Other Federal Funds	5, 8, 41, 50 81, 83, 85 86 & 91 State & Local Funds	Combined Balance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342,469
-	-	-	-	-	-	-	25,730
-	-	-	-	-	-	-	368,199
57,309	423,399	-	25,437	784,168	-	-	8,301,313
-	-	298,924	-	-	-	-	298,924
-	-	-	-	-	-	4,044	4,044
583	676	-	-	1,037	-	-	29,049
-	177	-	-	-	-	-	5,053
-	-	-	-	-	2,280	40,886	43,166
57,892	424,252	298,924	25,437	785,205	2,280	44,930	9,049,748
3,036	21,295	5,000	-	13,709	6,000	34,228	552,814
137	820	-	-	683	-	-	13,661
1,156	8,146	-	-	8,717	-	4,927	229,381
1,639	7,571	-	266	6,645	(3)	6,038	146,485
-	-	-	-	-	-	-	5,478
-	-	-	-	-	-	-	39,510
-	-	-	-	-	-	-	68,265
-	-	-	-	-	-	-	42,014
-	-	-	-	-	-	-	122,334
-	-	-	-	-	-	-	36,285
-	-	-	-	-	-	-	49,318
-	-	-	-	-	-	-	53,729
147	1,266	-	85	1,480	-	-	78,470
-	-	-	-	-	-	-	19,268
-	-	-	-	-	-	-	10,450
-	-	-	-	-	-	1,339	1,339
6,115	39,098	5,000	351	31,234	5,997	46,532	1,468,801
51,777	385,154	293,924	25,086	753,971	(3,717)	(1,602)	7,580,947
-	-	138,532	-	-	-	-	138,532
52,082	378,807	-	23,733	753,458	-	-	7,190,609
-	-	9,689	-	-	-	196	238,966
58,197	417,905	153,221	24,084	784,692	5,997	46,728	9,036,908
(305)	6,347	145,703	1,353	513	(3,717)	(1,798)	12,840
13,419	52,468	289,379	4,319	56,751	4,665	49,386	5,693,416
-	-	(243,122)	-	-	-	-	(2,255)
\$ 13,114	\$ 58,815	\$ 191,960	\$ 5,672	\$ 57,264	\$ 948	\$ 47,588	\$ 5,704,001

# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
Housing Authority of the City of Ogden  
Ogden, Utah

We have audited the basic financial statements of the Housing Authority of the City of Ogden (the Authority) as of and for the year ended June 30, 2005, and have issued our report thereon dated December 12, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that were reported to management of the Authority in a separate letter dated December 12, 2005.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
December 12, 2005

# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners  
Housing Authority of the City of Ogden  
Ogden, Utah

### Compliance

We have audited the compliance of Housing Authority of the City of Ogden (the Authority), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

### Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

To the Board of Commissioners  
Housing Authority of the City of Ogden

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention related to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Authority's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
December 12, 2005



**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2005**

<u>Federal Assistance Programs</u> <u>Agency/Program Grant Title</u>	<u>CFDA Number</u>	<u>Amount of Expenditures</u>
<b>Department of Housing &amp; Urban Development (HUD):</b>		
Low Rent Public Housing	14.850	\$ 393,456
Section 8 Housing Choice Vouchers	14.871	5,591,078
Section 8 Construction and Substantial Rehabilitation	14.182	784,168
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	1,507,174
Public Housing Capital Fund Program (CFP)	14.872	298,924
Housing Opportunities for Persons With AIDS (HOPWA)	14.241	<u>25,437</u>
Total expenditures of federal awards		<u>\$ 8,600,237</u>

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Ogden and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**HOUSING AUTHORITY OF THE  
CITY OF OGEN  
Status of Findings and Questioned Costs  
For the year ended June 30, 2005**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Non compliance material to financial statements noted?

☐ Yes ☒ No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of major programs

CFDA Number(s)

14.850a

14.855

Name of Federal Program or Cluster

Public Housing – Low Rent Program

Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN**  
**Status of Findings and Questioned Costs-continued**  
**June 30, 2005**

**Condition:**

One case file, randomly selected from Low Rent Public Housing (CFDA #14.850) recipients, could not be located by management.

**Reason Improvement Needed:**

HUD requires that information be retained by the Authority. The application, verification of income, lease agreement, and certification form need to be kept as proof of eligibility of recipients. Such information is normally contained in a program recipient file.

**Cause of Condition:**

The case file had been misplaced and could not be located during the audit.

**Effect of Condition:**

Information on client and verification of eligibility was not available. We were unable to assess whether the client is eligible for program assistance.

**Recommendation:**

The Authority should recreate the missing file. The client should resubmit an application and the Authority should follow up with documentation. Procedures and internal controls to insure that a case file is created and maintained for each client should be adhered to.

**HOUSING AUTHORITY OF THE  
CITY OF OGDEN  
Summary Schedule of Prior Audit Findings  
June 30, 2005**

There were no findings to report for fiscal year ended June 30, 2004.

# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## Auditor's Report on Utah State Legal Compliance

To the Board of Commissioners  
Housing Authority of the City of Ogden  
Ogden, Utah

We have audited the basic financial statements of the Housing Authority of the City of Ogden (the Authority), for the year ended June 30, 2005, and have issued our report thereon dated December 12, 2005. Our audit included test work on the Authority's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Other Compliance Requirements

The Authority did not receive any major or non-major State grants during the year ended June 30, 2005.

The management of the Authority is responsible for the Authority's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with requirements referred to above, which are described in a separate letter to the Board of Directors. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Authority complied, in all material respects with the general compliance requirements identified above for the year ended June 30, 2005.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
December 12, 2005

# Baird, Rasmussen & Associates, PC

Certified Public Accountants and Business Advisors

To the Board of Commissioners  
Ogden City Housing Authority

In planning and performing our audit of the basic financial statements of the Ogden City Housing Authority (the Authority) for the year ended June 30, 2005, we considered the Authority's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control.

However, during our audit we became aware of certain matters that will provide an opportunity for strengthening internal controls and operating efficiency, as well as compliance with Utah State Legal Requirements. This letter summarizes our comments and suggestions regarding those matters. We have previously reported on the Authority's internal control in our report dated December 12, 2005, and this letter does not affect that report.

## OUTSTANDING CHECKS

**Condition:** At June 30, 2005, the Authority's operating checking account had outstanding checks (checks written that had not yet cleared the bank) that were upwards of five years old.

**Reason Improvement Needed:** To reduce the opportunity for occurrence of fraud and to comply with Utah State Legal Compliance requirements for money management and unclaimed property.

**Cause of Condition:** There was some concern that writing off the outstanding checks would negatively affect the following years budgeted revenues.

**Recommendation:** Management ought to implement a policy to deal with any outstanding check older than six months and forward to the State of Utah Division of Unclaimed Property outstanding checks older than one year.

**Costs and Benefits of Recommended Action:** The cost of implementing the above recommendation is minimal and the benefit of doing so will strengthen the internal control system over cash and will comply with Utah State Legal requirements.

## PUBLIC TREASURER'S FIDUCIARY BOND

**Condition:** The Public Treasurer's Fiduciary Bond for the year ended June 30, 2005, was for \$460,000 when the amount required by Utah State Statute was \$466,000.

**Reason Improvement Needed:** To protect the Authority against risk of loss and to comply with Utah State Legal Compliance requirements.

**Cause of Condition:** The bond amount was calculated using the current year budgeted revenue rather than the prior year budgeted revenue.

To the Board of Directors  
Ogden City Housing Authority (Continued)

**Recommendation:** Make sure that in the future the bond amount is calculated in accordance with the Utah State Legal Requirements. (Management has already implemented procedures to assure that the bond amount is appropriate currently and in the future).

**Costs and Benefits of Recommended Action:** Bond cost will increase only slightly and the Authority will be protected by the amount required by Utah State Statute.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with management, and we would be pleased to discuss them in further detail, to perform any additional analysis of these matters, or to assist you to implement of our recommendation.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
December 12, 2005

# OGDEN HOUSING AUTHORITY

2661 Washington Blvd. #2  
Ogden, Utah 84401  
oha@xmission.com

801-627-5851 Tel  
801-627-6012 Fax  
801-627-5946 TDD

EXECUTIVE DIRECTOR  
Susan Manning

December 22, 2005

Baird, Rasmussen, and Associates

Dear Auditors:

As a result of your audit work preformed for our agency (HA) for the year ending June 30, 2005, there was one reportable condition involving internal control over compliance and operations and two immaterial instances of noncompliance with Utah State Legal Requirements.

Listed below are the findings from the audit preformed and the HA's plan to improve internal controls and compliance.

## Reportable Condition

### Tenant File

As a result of human error a tenant file was found to be misplaced when requested by the auditor. Management and staff of the HA took this matter very serious but did not locate the file until after the field work was completed by the auditor. The file had been inadvertently misfiled. Management has made staff aware of the need to file all files, including tenant files, timely and properly.

## Noncompliance – Utah State Legal Requirements

### Outstanding Checks

The HA has outstanding checks that have been outstanding for more than a year. Management has discussed the seriousness of this issue and the importance to comply with Utah State Legal Requirements. Management will have staff immediatly void or forward to the State of Utah Division of Unclaimed Property outstanding checks one year or older. The HA will continue to monitor outstanding checks six months or older to make a decision as to either void or send to the State of Utah.

### Public Treasurers Fiduciary Bond

The bond amount for the HA's public treasurer was not at the correct amount for the year ending June 30, 2005 due to a misunderstanding in the calculation. The HA already had the correct amount for the year ending June 30, 2006 prior to the 2005 audit and will continue to calculate the bond amount annually according to Utah Statute.

Please call if there are any questions, I can be reached at extension 112

Sincerely,



Tim Price  
Finance Manager

## BOARD OF COMMISSIONERS

- |                                    |                |                      |               |
|------------------------------------|----------------|----------------------|---------------|
| • Marino Toulatos, Chairperson     | • Jesse Garcia | • Beatrice O'Dell    | • Bill Wright |
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